

## Staff Summary Report



**Council Meeting Date:** 05-28-10

**Agenda Item Number:** 3

**SUBJECT:** Request approval of a resolution declaring as a public record that certain document filed with the City Clerk and entitled "Amendments to the City Tax Code of the City of Tempe, Arizona, Implementing Proposition 401 Passed by the Voters of Tempe on May 18, 2010"

**DOCUMENT NAME:** 20100528fspf **TCC CH 16 - LICENSES, TAXATION & MISC. BUS REGS, ETC. (0503-16)**  
Resolution 2010.78

**COMMENTS:** N/A

**PREPARED BY:** Phil Falcosky, Tax Audit Supervisor (480-350-8685)

**REVIEWED BY:** Jerry Hart, Financial Services Manager (480-350-8505)

**LEGAL REVIEW BY:** Dave Park, Assistant City Attorney (480-350-8907)

**DEPARTMENT APPROVAL:** Jerry Hart, Financial Services Manager (480-350-8505)

**FISCAL NOTE:** We anticipate that this transaction privilege (sales) and use tax rate increase will generate additional privilege tax revenues of approximately \$8 million annually.

**RECOMMENDATION:** Staff recommends adoption of Resolution No. 2010.78

**ADDITIONAL INFO:** On May 18, 2010, the citizens of Tempe voted to increase the transaction privilege (sales) and use tax rate by two-tenths of a percent (0.2%), from one and eight tenths percent (1.8%) to two percent (2%). The rate increase will apply to all taxable activities except contracting and mining, which are frozen by State statute. Revenues generated are to be deposited to the General Fund to help fund operating expenses of the City. The rate increase will apply to all revenues earned or received on or after July 1, 2010 and is to be terminated at the end of four years.